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8/7/87

"The Last Wound-Up" in toys
Still video cameras link photo-electronics

Chain Store Age

GENERAL MERCHANDISE TRENDS AUGUST 1987

ARE YOU PAID ENOUGH?

An exclusive poll:

Retailers rate their pay, their bosses and their companies.

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CHAIN STORE AGE General Merchandise Trends (ISSN 0885-050X) is published monthly by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022, and is distributed free-of-charge to qualified retailers and wholesalers in the United States and Canada. Non-qualified retailers, manufacturers and all others, $25 a year; Canada $27 (U.S. $) a year. Retailing schools and libraries, $15 a year; Canada $17 (U.S. $) a year. Foreign subscriptions: Airmail only, $125 a year. Single copy rate $2. Second Class postage paid at New York, N.Y., and at additional mailing offices. Vol. 63, No. 8.

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ALL CORRESPONDENCE should be addressed to Executive Offices, Chain Store Age General Merchandise Trends, 425 Park Ave., New York, N.Y. 10022. For a change of address, six weeks notice to Circulation Fulfillment Director, 305 Madison Ave., Suite 535, New York, N.Y. 10164-0659, is requested. Give old and new address and zip code. If possible enclose address portion from cover on previous issue. Postmaster: Please send address changes to *Chain Store Age*, General Merchandise Trends, Subscription Dept., 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079. Member Audit Bureau of Circulations, Second Class Mail Publications Inc., and Magazine Publishers Association.

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TV shoppers: above-average blue collars

Home television shopping often is portrayed as a blue collar distribution network. Indeed, that may be the reality, according to the latest *Chain Store Age*/Leo J. Shapiro & Associates monthly survey of TV shopping.

The June nationwide telephone poll revealed that buyers tend to have blue collar occupations. Nevertheless, their family incomes are above the national average and they are more likely to live in the suburbs. Their families are larger than average in size and the chief breadwinner is younger than average.

Interestingly, these purchasers also have higher than average educations. "These are a group of affluent, well educated set of working people who are susceptible to buying, not just passive viewing," comments George Rosenbaum, president of the Shapiro organization.

Buyers more upscale than viewers

	All Households	Viewers	Buyers
Median household income	$25,400	$26,500	$29,600
College—some or graduate	54.0%	51.3%	54.6%
Live in suburbs of metro area	25.7	25.5	32.9
Household size (mean persons)	2.92	3.03	3.28
Women	50.9	52.0	59.9
Men	49.1	48.0	40.1
Occupation of chief breadwinner:			
Professional management	26.9	26.0	22.9
White collar	16.7	17.2	19.4
Blue collar	24.3	28.9	35.8
Age: Under 40	49.1	52.1	55.5

Viewership, buying and repeat customers trend upward

	March	April	May	June
Viewed last week	27.6%*	35.1%	35.7%	37.8%
Viewers who have bought	10.9	16.8	13.3	21.0
Bought more than once	18.4	24.6	26.9	31.3

*% households
Source: *Chain Store Age* Leo J. Shapiro & Associates

Viewership of home television shows is on the upswing. It has grown by 10 percentage points since *CSA*/Shapiro began monthly trackings in March. It has reached nearly 4 in 10 households saying they watched within the last week.

Buying trends also are up. Not only are more people claiming to have purchased through the airwaves, but also more households are becoming repeat customers. Nearly 1 in 3 have purchased two or more times.

Sears cooking up promotional pair

Sears Roebuck is giving its customers plenty of food for thought these days with two separate promotions built around edibles.

For the fall, the retailing giant is cooking up a coupon promotion aimed at cashing in on the burgeoning microwave oven and food market.

For the longer haul, it is testing a joint venture in the Fresno-Visalia, Calif., area with General Foods whereby shoppers who save UPC symbols on General Foods product packages can redeem them at Sears for merchandise certificates appplicable to any of its products or services.

The microwave promotion is in cooperation with The All American Gourmet Co. and six other producers of frozen foods. The National Microwave Month campaign in October is designed to encourage consumers to buy microwave ovens as well as microwaveable food products.

Focal point of the promotion is a free coupon booklet worth $500 in savings on Kenmore appliances and frozen foods from All American and these participating food companies: Swift-Eckrich Inc.; H.J. Heinz; Kraft Inc.; McCormick & Co.; Pillsbury Co.; and Ralston-Purina Co.

Customers who visit Sears stores in October will be able to obtain coupon books with savings worth more than $25 on microwave grocery-related products and $475 in savings on Kenmore appliances.

Some 10,000 Sears appliance sales personnel will be distributing the coupon booklets in over 800 stores. The promotion will be supported by in-store display and TV and print advertising.

Since nearly 100 General Foods products are involved in the California promotion, substantial savings accrue quickly for consumers. For example, says General Foods corporate promotions manager Hugh Cavanaugh, "If a shopper spends approximately $25 of his weekly $125 market basket on General Foods products and redeems the UPC symbols from them at Sears, he can receive certificates that total nearly $200 by the end of the one year program."

For the Sears Treasures and Rewards promotion, a special redemption booth has been set up in the Fresno and Visalia stores.

UPC symbols can be collected and redeemed until April 30, 1988 Sears certificates can be redeemed for one year from date of issuance.

Correction

The June article on licensing partnerships inadvertently omitted Schlaifer Nance & Co. from the group responsible for the success of the Cabbage Patch Kids license.

ARE RETAIL MANAGEMENT CAREERS AT A STANDSTILL

They are well-paid, and probably the best retailers ever. They are also pessimistic. The wave of mergers has cut down career opportunities and is beginning to take its toll.

They are well-paid. On the average, general merchandise managers bring home $84,600 annually before bonuses. Buyers earn $41,100. Store managers are paid $36,800.

They are well-liked. When chief executives are asked to rate the abilities of their merchandising staffs, the praise could not be more unrestrained. Three-fourths of ceo's grade their buyers and gmms's as either good or excellent.

Yet those who fill top merchandising positions are pessimistic about their professional future. The majority think that they are trapped at a dead-end that will open only with a move to another company.

Salaries are stalled. For all practical purposes, gmm's have not received a raise in three years. Buyers and store managers have not fared much better. Their compensation packages have gained at a rate less than 3% per year since 1984.

Increasingly, too, headquarters staff, from the chief executive down, is critical of how its merchandising plans are implemented at store level. In return, store managers are critical of how headquarters communicates with field personnel. Buyers, meanwhile, view their job as changing from that of merchant to merely order-refiller.

Such is the gloomy picture of retail professionals painted by an exclusive *Chain Store Age* survey. It is a portrait of the best-trained, best-educated and arguably most competent generation of retailers. They feel trapped by an industry where merger and consolidation are now the norm, and where career advancement opportunities appear constantly reduced.

Method: The survey conclusions are the result of 1,542 questionnaires that were mailed to retail ceo's, dmm's, gmm's, buyers and store managers. Names were selected from the circulation of *Chain Store Age* and were chosen to represent department, discount, specialty and variety stores as well as Sears, J. C. Penney and Montgomery Ward.

Questionnaires were mailed in late April, with a mid-May follow-up to non-responders. Altogether, 31% of the survey queries, representing all retail classes and each of the selected job titles, were returned. The results are comparable with similar surveys conducted by *Chain Store Age* in 1983 and 1984.

The retail portrait painted in the latest study is in vastly different hues than the more optimistic results brushed in earlier surveys. Today's merchant is feeling more pressure to contribute to the bottom line and expects fewer rewards—even if he succeeds.

The problem is the most acute on the gmm and buyer level. When *Chain Store Age* asked gmm's to reveal their base salaries in 1984, the average annual paycheck totalled $84,620. Three years later, the gmm's reveal that their compensation packages have stalled at that level.

Bonuses are neither more prevalant nor significantly larger than they were in 1984. Three years ago, 72% of the gmm's reported that their company had a bonus program. This year, an identical number say that they are eligible for a yearly bonus. In 1984, the bonus ac-

What retailers are thinking. . .

CEOs

Under pressure to produce profits as never before. Eighty-five percent say that maximizing profits is their top responsibility—up from 73% three years ago. Ceo's are giving higher marks to their merchandising staffs. This year, 75% rate their buyers as good or excellent, compared to 56% in 1984.

GMMs

Are they being made whipping boys in the fight to pump up the bottom line? In the three years since the last CSA poll, their average salaries have not gained a penny. Are they discouraged? Fewer than half (41%) think their chances for promotion are good or better.

Buyers

Their pay is up only 10% from 1984, averaging $41,000 last year. And among retailers, they are the most pessimistic about their career potential. Fewer than 1 in 5 thinks that they have a good chance for either a promotion or a raise anytime soon.

counted for 17% of total compensation, while three years later it has grown to only 19%.

Not all gmm's have experienced pay stagnation. Those working for either Sears, Penney or Ward have seen their average base salaries jump to $108,600 from $99,200. Discount store executives have watched their salaries grow from $73,100 to $101,400.

The biggest pay slides are happening to gmm's at department, specialty and variety outlets. At department stores, for example, base salaries have dropped from an average $97,200 three years ago to $83,900 this year. Paychecks for specialty store gmm's have shrunk to $70,800 from $72,400 in 1984.

Buyer and store manager salaries, while not experiencing decreases, have not kept up with inflation's pace, either. The average retail buyer this year brings home $41,100 annually, compared to $37,200 in 1984. Store manager pay has gained from $26,000 to $36,000—the best increase in the study.

Once again, the discount store buyers are garnering better gains than are buyers at department stores. Discount buyer salaries have increased from $38,200 three years ago to $42,000 today.

Department store buyer paychecks have gained a more modest amount—from $31,700 to $33,500. The highest paid buyers, however, are still those for Sears, Penney and Ward. Average compensation for Big 3 buyers comes in at $56,100.

Chief executive salaries are under pressure, too. The current study indicates a dramatic drop-off, but the results are highly skewed by the smaller company size of the ceo's who responded to the current survey.

However, *Chain Store Age* had little trouble finding 13 retail ceo's whose compensation packages last year exceeded $1 million. K mart's Bernard M. Fauber tops the list at $3.1 million, followed by Toys "R" Us chief Charles Lazarus with $3 million.

Former Woolworth chief John W. Lynn ranks third at $2.2 million. Sears head Edward A. Brennan is fourth with a compensation package worth $2.1 million in 1986.

In addition to the 13 members of the $1 million club, an additional seven ceo's of public companies earned more than $500,000 last year (see chart).

Profit pressure: Chief executives, however, are not immune to changes swirling throughout the industry. The increasing demands of stockholders and the rising ability of money managers to extract short-term profit gains from retail companies has not gone unnoticed by any of the top executives.

In the survey three years ago, ceo's listed building a management team and providing leadership as their two top job responsibilities. This year the chief executives rate maximizing profits as their most important duty, followed by maximizing sales.

Three years ago, ceo's ranked expense and inventory control low on their list, about as important as community relations. Now almost half of the chief executives name cost control as one of their most important duties.

The trend is most dramatic in the specialty store companies, where every one of the chief executives in the survey reports that maximizing profits is the first responsibility of a ceo.

Compared to department, discount, or variety store top executives, the specialty store heads are less concerned with traditional duties such as leadership or community relations. Quite simply, it is money on the bottom line that drives the

Store managers

Despite corporate talk about service, those on retailing's front line have gotten the real message—they rank sales volume increases as their No. 1 job responsibility. And four years ago, not one store manager CSA polled even mentioned shrinkage control as part of their job. Now more than one-third do.

specialty ceo.

Not that profit pressure is absent in any retail class. In the survey, fully 85% of the chief executives name maximizing profits as their first responsibility, outranking every other job function. Nor, apparently, have ceo's been slow to communicate the corporate message down the line.

Though general merchandise managers still consider planning as their most important job function, maximizing gross margins now is taking on a more important role. Less important to the gmm's are sales volume increases for their own sake.

Compared to three years ago, merchandising executives are paying more attention to what earlier had been considered buyer functions, such as maximizing turns and setting proper assortments.

The pressure on gmm's to bring money down to the bottom line is most apparent at the department stores. Department store gmm's are far more likely than the norm to say that maximizing both gross margins and sales are among their top job responsibilities. They are more likely, too, to feel that choosing assortments is their duty, and not one belonging solely to buyers.

For their part, buyers are sticking with what they have always considered as their top professional duty—setting the proper assortment. But depending upon what kind of retail company a buyer works for, a different picture of what buying means emerges from the survey results.

Compared to discount and variety store buyers, department and specialty store buyers are far more likely to say that sales volume increases, maximizing gross margins and planning are the most important parts of their job.

Discount and variety store buyers, on the other hand, are more likely to name what are the more traditional parts of the buyer's job—setting assortments and negotiating the best deal.

Conflict brewing: Among top headquarters merchandising staff, a conflict is being fought over whose job is exactly what. At the center of the dispute is the buyer.

According to the buyer himself, his top five job duties are: picking assortments, sales increases, gross margin gains, planning and inventory control.

But ask general merchandise managers what the buyer's job should be, and a list with different priorities emerges. The merchandise managers, according to the survey, would prefer to keep planning functions and even some assortment picking to themselves, while leaving it to the buyer to do more of the dirty work, such as negotiating deals, pricing, insuring an in-stock position and watching over open-to-buys.

The conflict between gmm's and their buyers is spilling out into the open. Compared to the survey conducted three years ago, fewer buyers now think that they are gaining autonomy, and more report needing a supervisor's approval before adding a line to the assortment.

Their bosses—who appear to be winning the argument—agree with the buyers on at least this point. In the current survey merchandise managers are less likely than they were three years ago to say that buyers have gained autonomy. They are more likely to report that buyers cannot add new lines of merchandise without supervisor approval.

Still another bone of contention for the buyers in the survey is the breadth of their assortments. Three years ago, only about one-third of the buyers agreed with the statement, "I am constantly being asked to narrow my assortments." This year, exactly half of the buyers agree with the statement.

Interestingly, chief executives have not yet noticed the conflict between buyers and merchandise managers. The top executives are alone in thinking that buyers have more autonomy now than they did in previous years.

Dissatisfied: Nor is the disagreement over the buyer's function the

How much is the boss paid?

CEO	Company	Total compensation*
Bernard M. Fauber	K mart	$3,104,000
Charles Lazarus	Toys "R" Us	3,020,000
John W. Lynn	F. W. Woolworth	2,216,000
Edward A. Brennan	Sears, Roebuck and Co.	2,097,000
David C. Farrell	May Dept. Stores	1,648,000
Avram J. Goldberg	Stop & Shop Cos.	1,520,000
Kenneth A. Macke	Dayton Hudson	1,313,000
Howard Goldfeder	Federated Dept. Stores	1,158,000
Leslie H. Wexner	The Limited	1,135,000
William R. Howell	J. C. Penney	1,058,000
Francis C. Rooney, Jr.	Melville Corp.	1,049,000
Herbert Gilman	Ames Dept. Stores	1,046,000
William T. Dillard, Sr.	Dillard Dept. Stores	1,000,000
Donald G. Fisher	The Gap	963,000
Maurice Segall	Zayre Corp.	875,000
Leon F. Winbigler	Mercantile Stores	804,000
John V. Roach	Tandy Corp.	673,000
Philip M. Hawley	Carter Hawley Hale	665,004
Bruce A. Nordstrom	Nordstrom	626,000
Peter S. Willmott	Carson Pirie Scott	527,000
Sam M. Walton	Wal-Mart	349,000
Morris Sidewater	Channing Shoppes	292,000
Milton J. Petrie	Petrie Stores	150,000

*Includes base salary, bonus, stock options.
Source: *Chain Store Age* research

Retail pay is stalled . . .

CEOs

Salary	Dept. store	Disc. store	Spec. store	Variety store	All CEOs '84	All CEOs '87
Under $50,000	45.8%	20.0%	42.9%	70.0%	4.5%	43.3%
$50,000-$75,000	20.8	10.0	35.7	—	4.5	16.3
$76,000-$100,000	12.5	20.0	—	10.0	4.5	10.0
$101,000-$125,000	—	10.0	—	10.0	9.1	3.3
$126,000-$150,000	—	—	7.1	—	4.5	1.7
$151,000-$175,000	—	20.0	14.3	—	7.6	6.7
$176,000-$200,000	8.3	—	—	10.0	9.1	5.0
$201,000-$225,000	4.2	10.0	—	—	6.1	3.3
$226,000-$400,000	4.2	—	—	—	15.2	1.7
Over $400,000	4.2	10.0	—	—	12.1	3.3
Averages	$161,300	$147,100	$72,000	$86,000	$239,340	$96,300

GMMs

Salary	Dept. store	Disc. store	Spec. store	Big 3	All GMMs '84	All GMMs '87
Under $30,000	7.1%	9.1%	20.0%	—	3.0%	10.5%
$30,000-$49,999	21.4	9.1	15.0	—	12.0	14.0
$50,000-$69,999	14.3	9.1	15.0	42.9%	16.0	19.3
$70,000-$79,999	—	9.1	10.0	—	8.0	7.0
$80,000-$89,999	14.3	—	5.0	—	6.0	5.3
$90,000-$99,999	—	18.2	10.0	—	5.0	7.0
$100,000 and over	42.0	45.5	20.0	57.2	61.0	35.2
Averages	$83,000	$101,400	$70,000	$100,600	$84,620	$84,600

Buyers

Salary	Dept. store	Disc. store	Spec. store	Big 3	All Buyers '84	All Buyers '87
Under $20,000	9.8%	—	15.0%	—	2.5%	6.1%
$20,000-$24,999	11.0	4.4%	20.0	2.6%	10.7	7.9
$25,000-$29,999	15.7	15.6	10.0	—	15.6	12.1
$30,000-$34,999	21.6	8.9	15.0	5.3	17.2	12.7
$35,000-$39,999	13.7	15.6	5.0	2.6	17.2	9.7
$40,000-$44,999	17.6	15.6	5.0	7.9	8.2	12.7
$45,000-$49,999	2.0	11.1	15.6	—	7.4	5.5
$50,000-$54,999	3.9	13.3	10.0	18.4	4.1	10.3
$55,000 and over	4.0	13.4	5.0	60.6	9.8	20.6
Averages	$33,500	$42,000	$34,000	$56,100	37,200	$41,100

Store managers

Salary	Dept. store	Disc. store	Spec. store	Big 3	All store managers '83	All store managers '87
Under $20,000	5.6%	13.0%	67.5%	—	N/A	21.0%
$20,000-$24,999	31.5	13.0	20.0	1.9%	N/A	18.3
$25,000-$29,999	16.7	17.4	2.5	—	N/A	9.1
$30,000-$34,999	7.4	26.1	2.5	5.7	N/A	7.5
$35,000-$39,999	1.9	4.3	—	7.5	N/A	3.8
$40,000-$44,999	5.6	4.3	2.5	9.4	N/A	5.9
$45,000-$49,999	3.7	—	2.5	9.4	N/A	4.3
$50,000-$54,999	13.0	13.0	—	5.7	N/A	7.9
$55,000-$59,999	1.9	—	—	5.7	N/A	2.2
$60,000 and over	13.0	4.3	—	54.7	N/A	19.9
Averages	$36,100	$33,000	$29,200	$55,400	N/A	$36,800

N/A = Not available

Source: *Chain Store Age* research

only problem facing the merchandising staff. On at least one issue—whether or not headquarters plans are implemented at store level—there is considerable agreement.

Compared to the 1984 surveys, chief executives, merchandise managers and buyers are all *more* likely to agree that good headquarters plans never make it into the stores.

On more personal issues, retailers in the current survey reveal a deepening dissatisfaction with their career prospects.

The wave of retail consolidation—such as Federated Department Stores' merger of its Foley's and Sanger Harris units, or Richway into Gold Circle—is beginning to take its toll. Adding to the problem are mergers, such as the folding of Associated Dry Goods into May Department Stores. There just are not as many career opportunities open for career advancement.

Asked to rate their chances for promotion, chief executives, gmm's and buyers all are more pessimistic than they were in the 1984 study. And the higher within the retail ranks, the deeper the feeling that promotion is not in the future. Chief executives are the most pessimistic about their chances for advancement, followed by gmm's and buyers. The most optimistic about their chances for advancement are store managers.

The decreasing number of retail companies and retail jobs will probably mean that in order to move up the ladder, merchandising staff will have to move to another company. The day of the 25- or 50-year company man may already be doomed in retailing.

Compared to the surveys conducted three years ago, ceo's, gmm's, buyers and store managers all are more likely to agree with the statement, "Retailing is a business where you have to change companies to get ahead."

For example, over half of all retail buyers—and two-thirds of department stores buyers—agree that moving out is the best way to move up.

Not surprisingly given their reputation for promoting from within, the buyers at Sears, Penney and Ward are the least likely to think that they need to change companies to advance their careers. In the latest survey, fewer than 1 in 4 of the Big 3 buyers agreed that changing companies was the best way to get a promotion.

Grey clouds: Some things, however, never change. When the retailers in the survey are asked what it is that they dislike most about their job, their unanimous response is their work schedule. Fully 62% of store managers cite their work hours as the most unpleasant aspect. About 40% of buyers and gmm's say that retailing's long hours, weekends and nights are its biggest downside.

On the average, store managers report that they work a 50-hour week that includes two late nights. Since the last study of store managers in 1983, neither the length of their work week nor the number of late nights at the store has changed significantly.

Also as in the earlier studies, the No. 2 complaint of both gmm's and buyers is the lack of security their jobs afford them. The difference is, however, that now significantly more merchandising executives are worried about holding onto their jobs.

In the 1984 surveys, 23% of both gmm's and buyers said that job security—or the lack of it—was one of their prime complaints. In the latest poll, the number is up to 35% of buyers and 40% of general merchandise managers.

On the list of dislikes, too, are the company's concern for personnel, benefits and community relations for gmm's. For buyers, included are the company's concern—or lack of it—for their welfare, salary and treatment by their supervisors.

In addition to their work schedules, store managers cite salary, job security and treatment by their supervisors as their major complaints.

Silver lining: Retail management is not all complaints, however. Those in the *Chain Store Age* survey still find quite a bit that they do like about their jobs. And despite their complaints about supervisors, lack of job security, pay or an uneven career path, the merchants in the current poll are more likely than those in earlier surveys to give their companies high marks for professionalism.

In fact, the retailers in the poll have an easier time naming the parts of their jobs that they like than they did when asked their dislikes.

Top of the list of the good things about their jobs, say the gmm's, is the challenge and the responsibility of the position. Also important to

. . . and pressure to increase profits is mounting . . .

CEOs

Top responsibilities	Dept. store	Disc. store	Spec. store	Variety store	All CEOs '84	All CEOs '87
Maximizing profits	76.9%	80.0%	100.0%	90.9%	73.0%	85.0%
Maximizing sales	41.7	60.0	64.3	60.0	41.0	56.7
Strategic planning	58.3	60.0	78.6	20.0	76.0	53.3
Leadership	54.2	60.0	42.9	40.0	76.0	48.3
Inventory control	54.2	30.0	42.9	40.0	8.0	45.0
Building management team	62.5	50.0	28.6	40.0	86.0	45.0
Expense control	37.5	50.0	35.7	70.0	14.0	43.3
Motivating employees	33.3	30.0	14.3	40.0	41.0	31.7
Communicating corporate mission	12.5	40.0	28.6	10.0	33.0	20.0

GMMs

	Dept. store	Disc. store	Spec. store	Variety store	All GMMs '84	All GMMs '87
Planning	78.6%	90.9%	70.0%	40.0%	82.0%	75.4%
Maximizing gross margin	71.4	63.6	40.0	60.0	58.0	54.4
Inventory control	28.6	27.3	45.0	60.0	40.0	38.6
Sales volume increases	28.6	36.4	30.0	40.0	58.0	35.1
Maximizing gross margin dollars	35.7	36.4	30.0	40.0	39.0	33.3
Maximizing turns	35.7	36.4	30.0	40.0	23.0	31.6
Setting proper assortment	42.9	18.2	25.0	40.0	23.0	31.6
Maximizing sales	42.9	36.4	20.0	20.0	28.0	29.8
Expense control	21.4	18.2	35.0	20.0	24.0	28.1

Buyers

	Dept. store	Disc. store	Spec. store	Variety store	All Buyers '84	All Buyers '87
Setting proper assortment	69.6%	73.3%	40.6%	81.8%	59.0%	68.5%
Sales volume increases	70.0	40.0	65.0	45.5	44.3	56.4
Maximizing gross margin	66.7	42.2	35.0	63.6	59.0	55.2
Planning	60.0	37.0	65.0	36.4	39.3	53.9
Inventory control	54.0	62.2	60.0	18.2	37.7	46.7
Negotiating the best deal	19.0	55.6	30.0	54.5	40.2	38.2
Maximizing turns	31.4	31.1	60.0	54.5	41.0	32.1
Maximizing gross margin dollars	33.3	20.7	40.0	36.4	23.5	31.5
Insuring an in-stock position	29.4	35.6	15.0	36.4	35.2	27.9

Store managers

	Dept. store	Disc. store	Spec. store	Variety store	All store managers '83	All store managers '87
Sales volume increases	72.2%	52.2%	87.5%	83.3%	58.8%	76.0%
Customer service	64.8	60.9	62.5	31.3	47.0	57.7
Returning a net profit	50.3	60.9	7.5	75.0	61.8	54.3
Expense control	53.0	65.2	22.5	81.3	29.7	48.9
Customer relations	44.4	47.8	70.0	18.8	41.1	46.8
Employee morale	33.3	26.1	45.0	25.0	47.0	38.2
Insuring an in-stock position	32.3	43.5	17.5	43.8	28.1	34.9
Shrinkage control	31.5	34.8	57.5	62.5	—	33.9
Employee productivity	28.6	17.4	45.0	25.0	26.2	31.7

Source: *Chain Store Age* research

the merchandising executives is the sheer enjoyment of merchandising itself.

For buyers, merchandising is what they like best about the jobs, too, along with the responsibility. And contrary to what many of their sources may think, when buyers talk behind vendors' backs, they say that dealing with vendors is one the favorite parts of their jobs.

Store managers name their position's challenge, responsibility, merchandising, and independence as top benefits.

And despite pessimism about their own careers, retailers in the latest survey give their chains high marks. Asked to rate their company's advertising and promotion staffs, 52% of the ceo's give the department a good or excellent rating. Sixty percent of the ceo's rate their store managers as good or better.

The real praise from ceo's, however, is reserved for their company's gmm's and buyers. Seventy percent of the chief executives give their gmm's the highest marks, while three-fourths of the ceo's save their highest praise for their buyers.

Is the praise reciprocal? Merchandise managers in the survey give their companies about the same marks that they did in the surveys three and four years ago. Buyers, on the other hand, are considerably more critical of the companies they work for.

Merchandise managers, for example, give their companies good marks for how well performers are recognized within the organization. Sixty-three percent of the gmm's rate their companies as either good or excellent in this regard.

More than half of the merchandise managers think that their companies do a good or excellent job in treating them as professionals. And almost two-thirds of the gmm's say that they respect and have confidence in their supervisors.

Only 38% of the buyers, however, say that their companies do a good or better job at recognizing performers within the operation. Fewer than 1 in 5 of the buyers think that their company offers a good opportunity for either promotion or salary increases.

Fewer than half give their organizations high marks for treating them as a professional. Only 45% of the buyers say they have respect and confidence in their supervisors.

. . . but merchants still give their chains high marks.

*CEO's**

Level of agreement	Dept. store	Disc. store	Big 3	Spec. store	Variety store	All CEO's '84	All CEO's '87
Good programs are laid out at headquarters, yet they never get implemented at the store level.	3.2	3.1	—	3.2	3.2	2.4	3.1
Our corporate mission is well defined and understood at all levels of our organization.	3.7	3.9	—	3.8	2.9	3.6	3.7
Buyers have more autonomy today than in previous years.	3.7	3.7	—	3.6	3.8	3.9	3.7
Buyers cannot add a new line without their supervisor's approval.	3.1	3.5	—	2.3	3.1	3.4	3.1
Retailing is a business where you have to change companies to get ahead.	2.7	2.1	—	3.4	3.9	2.9	2.8
Rating of opportunities for promotion.	3.7	4.1	—	3.8	3.4	4.2	3.8

*Buyers**

	Dept. store	Disc. store	Big 3	Spec. store	Variety store	All Buyers '84	All Buyers '87
Good programs are laid out at headquarters, yet they never get implemented at the store level.	3.4	3.1	3.8	3.1	3.8	3.2	3.4
I have more autonomy today than in previous years.	2.9	3.3	2.5	3.4	3.8	3.3	3.0
I can add a new line without my supervisor's approval.	3.2	3.5	3.0	4.0	3.5	3.7	3.4
Retailing is a business where you have to change companies to get ahead.	3.6	3.4	3.8	3.4	3.5	N/A	3.4
Rating of opportunities for promotion.	2.9	2.9	2.8	2.8	2.4	2.8	2.8

*GMM's**

	Dept. store	Disc. store	Big 3	Spec. store	Variety store	All GMM's '84	All GMM's '87
Good programs are laid out at headquarters, yet they never get implemented at the store level.	3.1	3.4	2.3	3.1	4.0	2.9	3.1
Buyers have more autonomy today than in previous years.	2.8	3.0	3.1	2.5	4.0	3.0	2.9
Buyers cannot add a new line without their supervisor's approval.	3.2	4.0	3.7	3.3	4.4	3.2	3.6
Retailing is a business where you have to change companies to get ahead.	2.3	3.3	2.4	3.7	2.2	2.6	3.0
Rating of opportunities for promotion.	3.6	3.3	3.1	2.8	3.2	3.3	3.2

Source: *Chain Store Age* research
Based on a scale of 1 to 5, with 1 being "strongly agree" and 5 being "strongly disagree."
N/A = Not available

Store managers, on the other hand, are probably the most optimistic sector of their companies. More than half of those on the front line of retailing think that their organizations are good at recognizing the best performers. The majority of store managers say they have respect for and confidence in those above them in the organization and, in particular, cite the credibility of the merchandising and corporate staffs as excellent.

They even think there is a good chance for advancement. But, the store managers say, it will take longer than a year before it comes. □

—Rick Gallagher

Editor's note: Copies of the CSA surveys can be obtained by contacting Murray Forseter, Publisher/Editor.

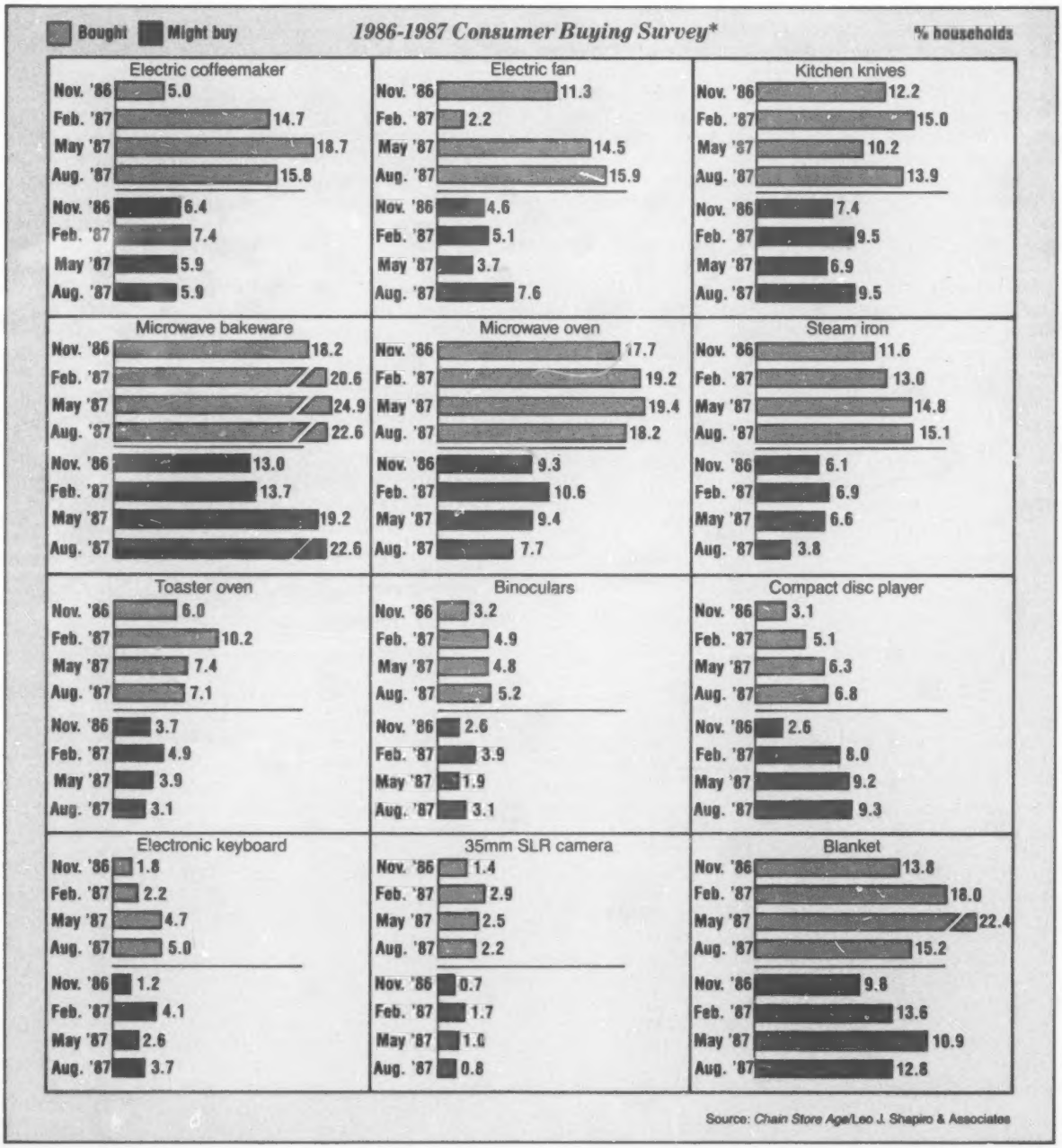
Microwaves, bakeware plateau

What happens when you combine a microwave oven with a toaster oven? If you are Sunbeam and your new product—Express-Meals—does exactly that, you hope that the combination of the two will keep the sales for both categories on the upswing.

According to the latest *Chain Store Age*/Leo J. Shapiro & Associates MarkeTrends national telephone survey, only about 3% more families bought a microwave oven in the last 12 months than purchased one the previous year. At the same time, the number of families buying a toaster oven has gained a whopping 31%.

But both categories are set for a sales drop this year if customers in the MarkeTrends poll follow through on their plans. Compared to a year ago, 22% fewer families say that they will buy a microwave within the next 12 months. Fourteen percent fewer report that they will buy a toaster oven.

For microwave bakeware, however, the outlook is considerably clearer. Compared to a year ago, twice as many families say that they expect to buy microwave bakeware. Though recent months give some indication that sales are reaching a



plateau, the current high sales rate gives no indication of slowing down.

Also rapidly approaching a plateau, but at an extremely high level, are compact disc players. The number of MarkeTrends families saying they expect to buy a CD player this year is 121% ahead of last year's reading.

Musical keyboards, after several years of steady growth, are set for some spectacular growth in the next 12 months, according to the poll. About twice as many of the MarkeTrends families report interest in buying one of the electronic keyboards within the next year.

More moderate growth is forecast in the next year for kitchen knives (up 44%), blankets (ahead 32%) and binoculars (gaining 14%), says the MarkeTrends national poll. Buying plans for electric fans are ahead a respectable 6% compared to year-ago figures.

For single lens reflex cameras, steam irons and electric drip coffeemakers the forecast is less sunny. Despite the introduction of autofocusing SLRs by nearly every vendor in response to Minolta's Maxxum, the market for 35mm SLRs will continue to shrink.

***Musical keyboards are set** for some rapid growth in the next 12 months.*

Fully 20% fewer families in the MarkeTrends poll say that they plan on buying a single lens reflex camera this year than said they would a year ago.

Technological innovation does not seem to be creating a surge in customer interest for steam irons, either. Vendors literally added bells and whistles to the venerable iron in the past two years, but apparently to little avail. Forty-four percent fewer MarkeTrends families report that they intend to buy an iron this year. □

NEW PRODUCTS

AAi has added a tortoiseshell collection of jewelry, hair accessories and small leather goods to their product line. Made with translucent brown finish, these reptile replicas

provide a refreshing fashion look for fall. The collection features stylish necklaces, earrings and bracelets in a variety of geometric shapes and sizes. Gold accents have been applied to some of the necklaces and earrings for a more dramatic look. *(AAi, 41 Warren Ave., N. Providence, R.I. 02911.)*

Maseur Products USA introduces Maseur series 10,000 Original Australian Massage Sandals. Designed with hundreds of little soft rubber "fingers" that gently massage the

bottom of the foot, Maseur sandals are not only fashionable but also help promote good posture and are light weight and comfortable. *(Maseur Products USA, 4301 Park Arroyo, Calabasas Park, Calif. 91302.)*

Take 5
Plaque Fighter™

Convenient pump spray with Microdent 200 ™ Cleans teeth any time you can't brush.

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TELEPHONE ANSWERING DEVICE SALES TO LEVEL OFF

If a slowdown is in sight, it could not have come at a worse time—vendors have slashed prices. Slow growth and price drops will make gross margins harder to come by.

***In a period of modest electronics growth,** the TAD has performed well.*

Is the joyride over? After growing at a compound annual clip of 28% since 1984, the market for telephone answering devices is giving every indication of finally leveling off.

While the current industry consensus is that TAD unit sales will gain about 8% in the next 12 months, the latest *Chain Store Age*/ Leo J. Shapiro & Associates MarkeTrends survey paints a less optimistic picture. If families in the national poll are right, unit sales will increase only about 2% in the next year.

According to the random, 450 household, telephone survey, 5.4% of families report that they expect to buy a telephone answering device within the next 12 months.

The total is down considerably from the record-high 7.9% figure tallied in the March 1986 survey. The latest reading, however, is still about 2% ahead of the number reported a year ago.

If a slowdown is indeed in the works, it could not come at a worse time. Led by market share leader Panasonic at the Consumer Electronics Show in June, most telephone answering machine sources reduced product prices. The combination of slow growth along with the price drops could make gross margin dollars harder to come by in the upcoming year.

Telephone answering device vendors have spent much of the summer pointing fingers and accusing each other of killing the goose that laid the golden egg. In a period of generally modest growth for consumer electronics, answering machines have been one of the few hits.

But it might be the customer himself who has helped precipitate price reductions. And despite vendor crocodile tears, few should be surprised when marketing plans that aggressively targeted discount stores in the last two years now have resulted in customers expecting discount prices.

Compared to a year ago, customers in the latest MarkeTrends poll expect to pay 17% less for a telephone answering device. On the average, the MarkeTrends families think it will cost a median $100 for a TAD. In the 1986 poll, customers thought they would have to pay $120.

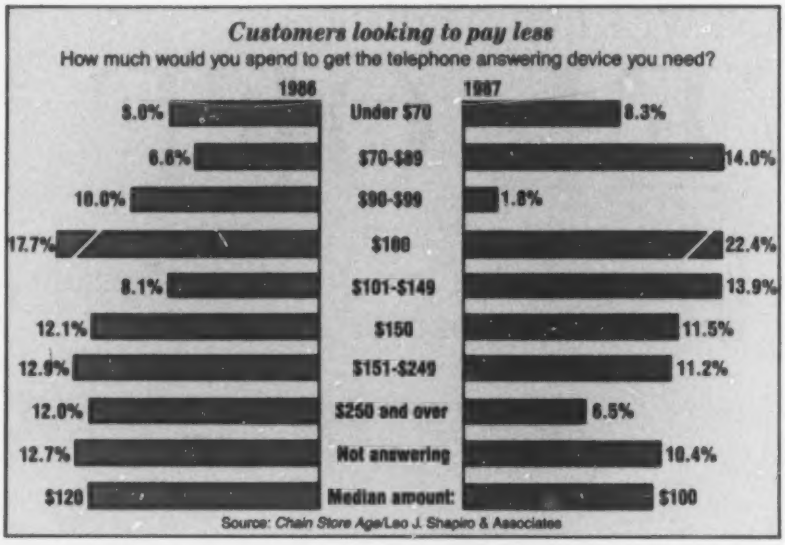
For a combination answering device and telephone, families in the MarkeTrends survey think that they should pay an average $110.

Sophistication: Unlike the customer a year ago, this year's answering machine customer is a lot more knowledgeable. The advantage of remote message access has been communicated effectively, and it has become one of the most wanted features. Microcassettes, too, are now high on the want list.

Interest in buying combination units which include both a telephone and an answering device reaches an all-time high in the most recent MarkeTrends poll. So, too, is interest in buying a feature now generally available only on the combo units—wall mountability.

At least one feature—two line telephone answering—is proving less popular this year.

The current telephone answering machine customer, with a pretty clear list of features he will be looking for, is a far cry from the customer of a year ago. In the 1986 MarkeTrends poll, there was much confusion about what many of the terms used to describe TAD features actu-



ally meant.

Last year, for example, a whopping 18.7% of the MarkeTrends families did not, or could not, answer the question related to remote message access. Apparently, the message about this feature, which includes both beeperless and older beeper remotes, had not yet gotten out. In contrast, only 6.2% in the latest MarkeTrends poll do not answer the question.

Remote accessing gets the top votes this year. But interestingly, the ability to access messages while not at home is a feature desired by only slightly more than half (55.2%) of the survey families.

Low-end potential: For 38.5% of the MarkeTrends families, a remote accessing feature is not an essential feature on a TAD. The figure reveals that there is a healthy market for stripped down units that can hit discount store price points.

Similarly, the great majority of potential answering device customers (77%) are looking for a TAD that answers only one telephone line.

And though microcassettes are fast gaining customer acceptance (compared to the year-ago poll, more than twice as many of the MarkeTrends families report this year that they want microcassette technology), standard cassettes are still preferred by the great majority, 62%.

One upscale notion gaining customer interest, however, is the combination of an answering machine and a telephone itself. Compared to the year-ago survey, about 18% more of the MarkeTrends families report that they think they will buy

Hello.

XE 200 with
3 Privacy Codes

Uniden's
Rated Best Buy.

Other cordless phone manufacturers have been doing a lot of talking.

Well, here's a statement that speaks for itself. A major consumer magazine did a comparison study on cordless phones. The check points included clarity,

Desk phones set for bigger share

What is the most popular room for a phone?

According to the MarkeTrends families, the bedroom is now the most usual place for a phone. The kitchen is next, with the living room pulling in third. Only a year ago, the kitchen was No. 1.

Now, almost two-thirds (65.9%) of the survey families report having a telephone in the bedroom. Another 59.7% say there is a phone in the kitchen, 38.5% in the living room, 19% in the den and 8.3% in the basement.

With the survey predicting that the greatest number of telephones bought this year will be headed for the bedroom, too, the change could have some effect on assortments. Desk top models should show some increases, while wall units might drop.

Also on the downside this year, according to the MarkeTrends poll, may be cordless phones. Compared to the survey conducted only a year ago, almost 30% fewer families in the current MarkeTrends survey report that their next phone will be cordless.

Memory related features, such as auto-dial and auto-redial, are on the upswing. Seven percent more of this year's MarkeTrends families say that they want memory features.

On the average, this year's survey families say that they expect to pay about $40 for a new telephone, compared to $50 last year.

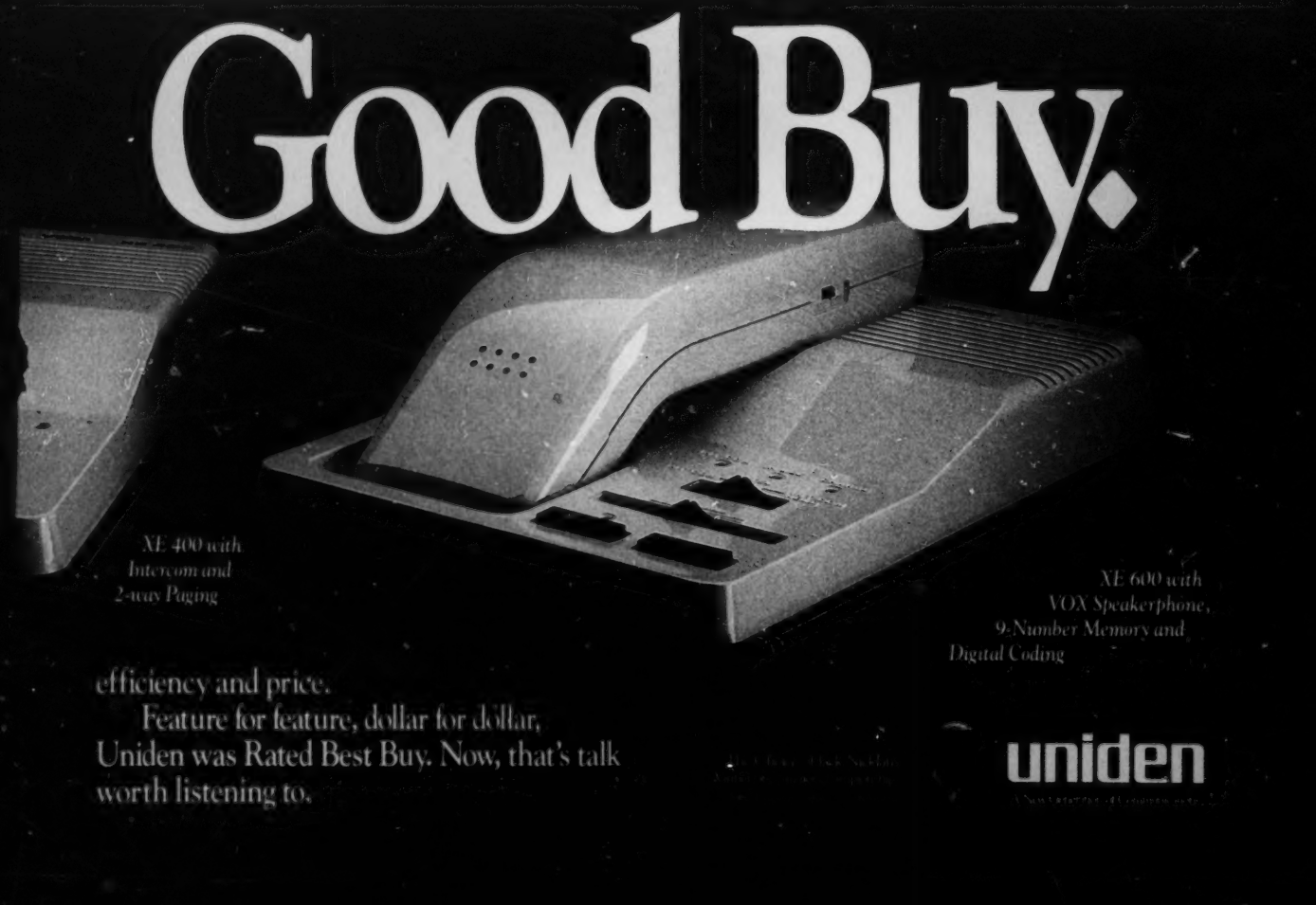
Only about 1 in 4 of the survey households still rents a telephone from the telephone company, down from 39% last year. Ma Bell is far from abandoned, however. Nearly half of the MarkeTrends families say that they expect to purchase an AT&T phone the next time they buy.

Also gaining mentions are Panasonic, Radio Shack, GTE, General Electric, Cobra and Uniden.

a combo unit the next time.

Even here, though, the price slashing of the past year is evident. In the 1986 poll, the MarkeTrends families said that a combination TAD and telephone should cost about $50 more than a TAD alone—the exact price they pegged for a telephone by itself.

In contrast, the households polled this year say that a combo unit should cost only about $30 more—$10 less than the price of a phone alone. The signal customers may be giving is that of the two products, the TAD is the more important, while the telephone is simply a feature of the answering device. □


Good Buy.
XE 400 with Intercom and 2-way Paging
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CORDLESS GAINS IN ELECTRIC HAND

MIXERS

Shoppers do not beat around the bush in listing their demands for mixers and blenders. Push button beater ejection and multi speeds earn high marks.

When the electric housewares industry went on a cordless kick two years ago, talk was rife that the concept would revolutionize small appliance merchandising. Judging from consumer acceptance of battery-powered hand mixers today, cordless has made significant inroads. Currently, almost 1 of 4 consumers consider cordless essential to portable mixers.

While many households polled in an exclusive *Chain Store Age*/Leo J. Shapiro & Associates MarkeTrends study deem such features as multiple speed action and pushbutton beater ejection major considerations in their purchases, the cordless aspect is rated very important by 23%. Twenty-one per cent said cordless was of no importance at all.

In contrast, 63% of the respondents give high ratings to pushbutton beater ejection; 57%, multiple speeds; and 28%, beater storage features.

Consumers are equally positive about features they desire in stand mixers. Some 54% of those canvassed, for instance, want a unit with multiple speed settings, while 44% like the continuous mixing feature, and 38% prefer a model with a variety of attachments. Less important to consumers are timers. Only 19% consider them as essential to stand mixer operation.

Respondents are fairly evenly split, however, when it comes to glass or metal mixing bowls. Glass is favored by 52%; metal by 46%.

The *CSA* study shows that the bulk of the mixer business, numerically at least has been, and will continue to be in hand mixers.

Of the 71% of the households in the report who own mixers, over two-thirds of them have hand mixers, while almost one third own stand mixers.

When it comes to buying intentions, though, the stand mixers fare better. Some 40% of the respondents say their next unit would be a step up to this type model, while 53% would opt for hand models.

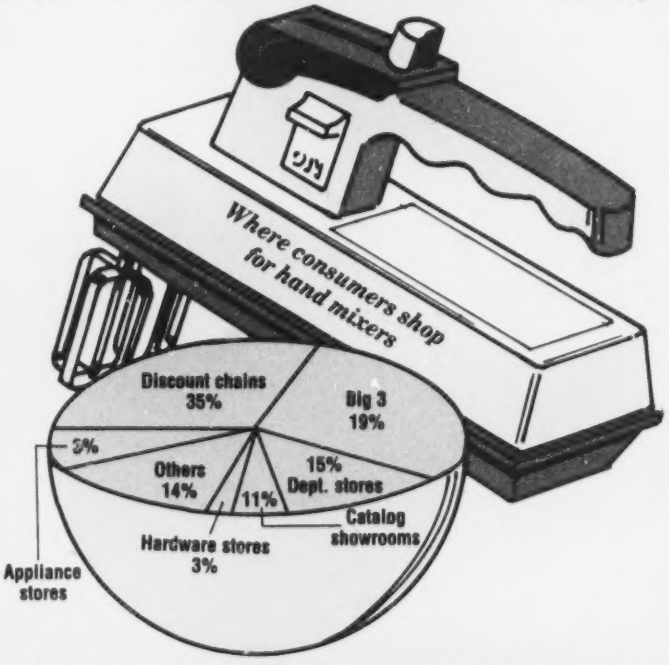
The research, which also covers blenders, shows a fairly high market saturation in that small appliance category. Some 71% of the households covered own a blender. This may explain why only about 10% percent of the households rate chances high that they will buy another model in the next 12 months.

The under-cabinet-concept has not been widely accepted by consumers when it comes to blenders.

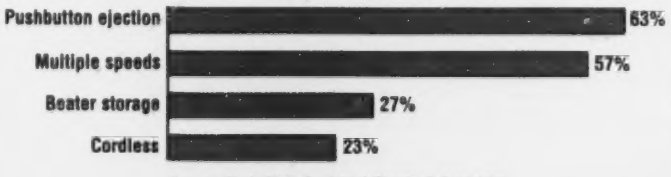
Some 78% of the consumers say they prefer countertop models to under-the-cabinet units. The latter style is favored by 17%. Most households (54%) say they want models with glass containers, while 42% like plastic.

As for speed, it is the lower range——10-speed——blender model that is most popular, favored by about half of the respondents. Splitting the remaining half were 14-speed models favored by 23% and 16-speed by 20% of the consumers canvassed.

Understandably, the big-dollar volume



Features consumers rate most important in hand mixers



Source: *Chain Store Age*/Leo J. Shapiro & Associates

in mixers come from the stand units. Though most of the respondents (34%) said they expect to pay under $50 for a stand mixer, 25% of the households said they would most likely pay $90 or more for a model of their choice.

The popular price range for hand mixers, the study shows, is $20 to $24.99, the tag 12% of the consumers expect to pay for a model. Some 8% say they would most likely pay between $15 and $19.99 for a unit.

When it comes to blenders, the largest segment of the buying public—23%—expects to pay between $30 and $39.99 for a blender, while 13% would spend $40 to $49.99.

From the long list of names mentioned, brand awareness appears to be quite high in both mixers and blenders. Reports from the canvassed consumers indicate that Black & Decker still has not been totally successful in making the transition from the General Electric to Black & Decker name.

In stand mixers, for instance, the same number of consumers say they would most likely buy a General Electric model as those who would purchase a Sunbeam unit. In both cases the percentage was 17%. Black & Decker, on the other hand, is cited by just 1% of the respondents.

Results were more dramatic in hand mixers where GE outpolled Sunbeam by a wide margin. It was cited as most likely brand of hand mixer to be purchased by 26% of the households, compared to $17% who favor Sunbeam.

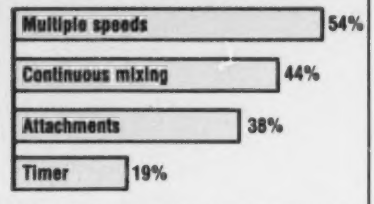
The pattern was similar in blenders. Here General Electric and Oster's Osterizer models shared honors, with the two lines each cited as their most likely blender purchase by 18% of the respondents.

Once it finally gets its message across to consumers, Black & Decker should benefit handsomely from the consumer acceptance of GE merchandise, at least in mixers and blenders.

As for other blender brands, Sunbeam is favored by 10%; Hamilton Beach, 8%; and Waring, 4%. Only 1% said they would most likely buy a Black & Decker model.

Based on their buying intentions, most consumers seem happy with the blender brand they own, and, in most cases, would likely buy the same one again. Of the consumers queried, 18% own an Osterizer; 10%, GE; 7%, Hamilton Beach; 6%, Sunbeam; and 6%, Waring.

Features consumers rate most important in stand mixers



Source: *Chain Store Age*/Leo J. Shapiro & Associates

In hand mixers, Hamilton Beach ranks third behind GE and Sunbeam in consumer buying intentions with 6%; Oster and Sears, 3% each. All other brands received preference from less than 2% of the respondents.

The gap was closer in stand mixers, where Oster ran a close third to GE and Sunbeam in consumer preference. Some 12% of the consumers canvassed say an Oster unit would most likely be their next blender purchase, while 7% give the nod to KitchenAid, and 5% to Sears.

The MarkeTrend study shows a substantial difference in where people expect to shop for mixers and blenders. Discount stores appear to be the most likely source for hand mixers. Potential buyers of stand mixers and blenders, on the other hand, were more likely to shop outlets other than discounters.

Interestingly, Sears gains most from the consumers' disaffection with discount stores as far as purchasing blenders and stand mixers go. The full-line department store seems to be a constant, named equally often for all three products by from 15% to 18% of the consumers.

Discount chains were dubbed by 35% of the consumers surveyed as the most likely stores for their hand mixer purchases. Of these, K mart was the choice of 13%.

At the same time, 19% of the households canvassed indicated that they would probably buy portable mixers in the national chains—Sears, Penney and Montgomery Ward. Sears dominated here with nearly three-quarters of the households favoring it for hand mixers. Some 15% of the consumers say they would shop full-line department stores for their portable models; 11%, catalog showrooms; 3%, appliance stores; 3%, hardware stores.

As for stand mixers, the Big 3 national chains are prime beneficiaries. Some 24% of the consumers say they would most likely shop for their next model at national merchandisers, an overwhelming percentage of them in Sears. Discounters were cited by 20% of the households, while full-line department stores were named by 18% and catalog showrooms, 13%. Appliance stores were favored by 3%.

***Seventy-eight percent** of consumers polled prefer counter-top models.*

Most consumers are most apt to head for a discount store for their blenders, the study shows. Some 29% of the consumers canvassed in the MarkeTrends research say that the discount chains would probably get their business, while 22% say their next blender purchase will probably be made in one of the Big 3 national chains.

Catalog showrooms and department stores still rated high with the blender buying public. Some 15% of the households expect to purchase their next blender in the former; 12% in the latter. □

AGE MAKES THE DIFFERENCE FOR SALES OF TABLE LINENS

Retailers can expect stonger sales from the under 35-year-old. Sales will be made in upper and lower price points, with the bulk falling to the lower end.

Customers will buy fewer table coverings in the next 12 months, and much of the business will migrate toward the upper and lower ends of the price point spectrum.

Those predictions, based on the latest *Chain Store Age*/Leo J. Shapiro & Associates MarkeTrends survey, mean that specialty and department store retailers can reasonably hope to pump up dollar sales and improve gross margin dollars, despite slack unit sales.

Discounters, however, could face continued price resistance, compounded by slightly lower unit sales.

The saving grace for discounters is that people under 35-years-old will buy more table coverings this year than last.

In fact, 1 in 5 respondents under 35 wants to buy a tablecloth.

Younger consumers are more likely to buy less expensive, everyday table coverings and may therefore shop first in discount stores, thus strengthening discounters' share of a shrinking market.

Most of the expected decrease in buying intentions comes from people over 35 years old.

***The major drop-off in purchase intentions** is by those over 35 years old.*

Survey respondents indicate, for example, weaker intent to buy cloth napkin sets and place mats this year than last.

Those who say they expect to purchase napkins dipped from 18% of the sample in 1986 to 14.4% this year. In place mats, prospective customers declined from more than 23% to less than 21%.

However, many of the consumers who expect to buy also expect to pay more this year than last.

The survey subjects anticipate paying $15 this year for a set of four napkins, up from $12 a year ago. This year, more than 38% expect to pay $20 or more per set, up from 19% last year.

The expected median price of four place mats jumped to $12 this year from $10 in the previous poll. Respondents who will pay $20 or more for a place mat set leaped from just over 13% last year to nearly 28% in the most recent survey.

On the other end, many intend to pay far less for napkins now than a year ago.

More than 12% of MarkeTrends respondents expect to find napkin sets at a rock bottom price of less than $5, compared to just 1% last year.

Of all those questioned, well over 8% say they will buy regular-sized napkins, while a little more than 5% will acquire oversized napkins.

In place mats, solid colors are favored over prints, by more than 13% to less than 7%.

Jeff Cohen, national sales manager for Arley Merchandising Corp., agrees that patterns and novelties will continue to lose ground to solids in napkins and place mats.

"I think," says Cohen, "we're going to go back to basics.

Cohen also says choice of color is likely to remain in step with apparel, as customers choose darker shades in autumn and lighter in spring.

In the poll, woven-look material, the favorite for place mats among 6% of those surveyed, leads a close race over quilt with 5.8% and vinyl

at 5.7%. Straw polled 1.2%.

With other table coverings, intent to buy napkin rings fell from nearly 7% last year to less than 6% this year, while expected purchases of table pads dropped nearly a percentage point to 6.8% this year.

The strongest table covering category in intent to buy is tablecloths, which showed little movement from last year to this. In both surveys, slightly more than 25% of consumers say there is a chance they may buy a tablecloth in the coming 12 months.

That apparent flatness in demand will probably not carry through at the cash register, however. Though the same percentage of people in both polls are considering tablecloth purchases, the number of tablecloths sold will still decrease because multiple purchases will decline.

While retailers may find price points rising for higher end tablecloths, prices are staying about the same for lower priced versions.

Stan Oratz, vp sales for Scranton Lace, says customers are easier to step up in the higher end.

"If they are prepared to spend $39.99, you can get them to $49.99 with some subtleties," says Oratz. "If they have it in mind to spend $9.99, there's no way you can get them to $14.99.

Scranton Lace products have suggested retails of $12.99 to $14.99, Oratz says, and at that level price is "staying the same and it has for a number of years."

Prospective tablecloth purchasers will switch from formal to everyday versions, the survey indicates.

The preference for formal dipped from nearly 38% last year to a new figure of just over 33%. Those who are opting for everyday increased from a little less than 51% a year ago to more than 64% now.

Significantly, people expecting to buy both formal and everyday tablecloths plummeted from 8.6% in 1986 to 1.2% now.

Cloth, rather than vinyl, will remain the favored material for tablecloths. Nearly 80% of respondents who anticipate purchasing a tablecloth prefer cloth, compared to just over 20% who plan to buy vinyl tablecloths.

Blends of synthetic and natural fibers hold sway among those who will buy cloth tablecloths, as the choice of more than 44%. Slightly more than 30% say they will buy all-cotton tablecloths, while less than 3% anticipate buying all-synthetic cloths.

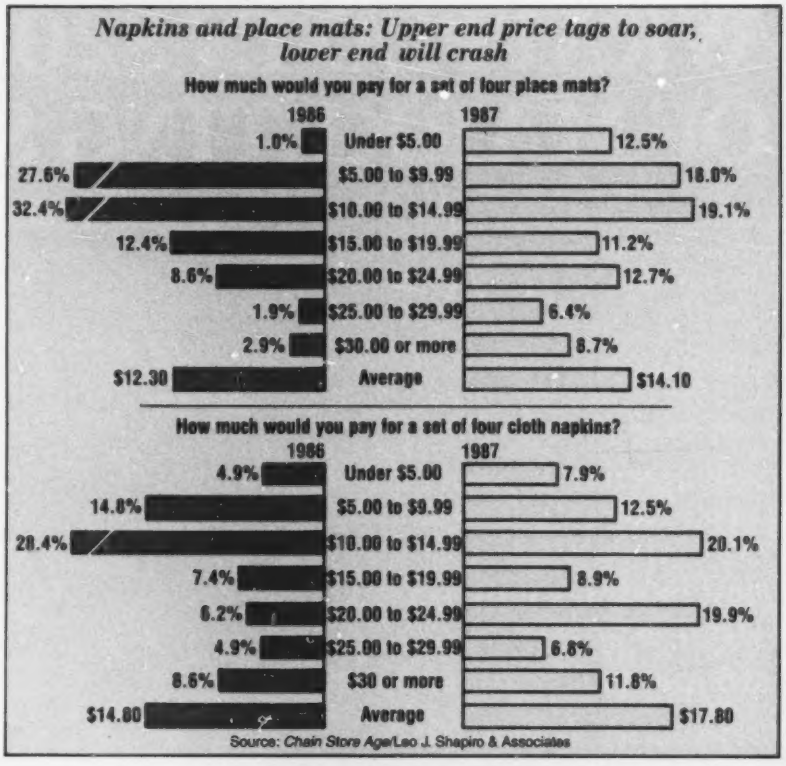
Solid colors will prove the preference among tablecloth purchasers, with a 63% showing among the people polled. Patterns are the expected favorite of 38%.

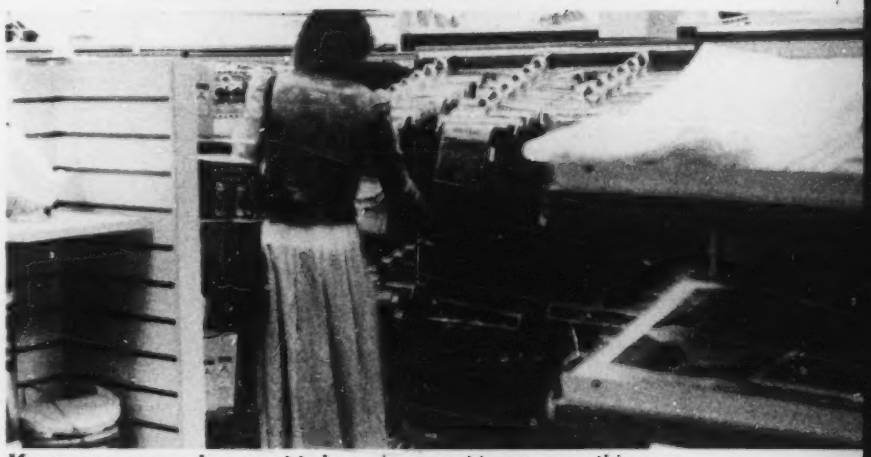
Nearly 56% of respondents will favor lace over plain tablecloths.

Whether a formal tablecloth customer is also a tablecloth liner customer is an even bet, with 48.1% saying they plan to buy a liner. Vinyl will become the preferred liner material, the choice of nearly 26% of all formal tablecloth purchasers.

Only a few consumers say they are likely to buy tablecloths with holiday themes. Almost 55% of the people who anticipate buying a tablecloth in the next year have never bought a holiday cloth and only 7.2% of the people in that group say they would buy one in the future.

Arley's Cohen says novelties are losing out to solids in napkins and place mats, but maintains that novelties will remain an important part of the business. □


Napkins and place mats: Upper end price tags to soar, lower end will crash
How much would you pay for a set of four place mats?
1986
1987
1.0% Under $5.00 12.5%
27.6% $5.00 to $9.99 18.0%
32.4% $10.00 to $14.99 19.1%
12.4% $15.00 to $19.99 11.2%
8.6% $20.00 to $24.99 12.7%
1.9% $25.00 to $29.99 6.4%
2.9% $30.00 or more 8.7%
$12.30 Average $14.10
How much would you pay for a set of four cloth napkins?
1986
1987
4.9% Under $5.00 7.9%
14.8% $5.00 to $9.99 12.5%
28.4% $10.00 to $14.99 20.1%
7.4% $15.00 to $19.99 8.9%
6.2% $20.00 to $24.99 19.9%
4.9% $25.00 to $29.99 6.8%
8.6% $30 or more 11.8%
$14.80 Average $17.80
Source: Chain Store Age/Leo J. Shapiro & Associates



***Many consumers who expect to buy,** also expect to pay more this year.*

Seasonal goods boost June sales 9.5%

Aggressive Father's Day promotion along with brisk activity in apparel and such seasonal merchandise as fans and air conditioners helped 19 major retailers tracked by *Chain Store Age* chalk up June sales gains that averaged 9.5%.

The generally modest increases for the month pushed the retailers' volume for the fiscal year to date above last year's level by 10.5%. While June sales figures were generally favorable for full-line chains, with gains ranging from Penney's 2.4% to Wal-Mart's 34%, a more accurate barometer of today's sluggish business climate is the lackluster same-store results reported for the month.

Sales for comparable Penney stores, for instance, increased by only 1.6% in June. Meanwhile, same-store volume at Mercantile Stores units for the month averaged 3.6%.

By the same token, Dayton Hudson reported comparable-store sales in June up 3.7% but an overall 13.5% increase for the period. Similarly, K mart saw same-store sales increase 2.8% in June, although total sales for the period ran 6.5% ahead.

Bucking the trend, though, was Wal-Mart where comparable-store sales climbed a sturdy 12% during both June and the five-month period.

Despite the generally unspectacular sales picture, some executives were heartened by June activity. Harold E. Sells, Woolworth chairman and ceo, for example, said, "June results were encouraging. Particularly strong sales gains in U.S. Woolworth stores exceeded expectations."

Performance varied widely from division to division within diversified retail corporations. Dayton Hudson is a case in point. While its Target arm scored a 16% sales gain in June, its Mervyn's operation was up 12%; Lechmere, 35%, and department stores, 2%.

Mervyn's sales showing, however, was at the expense of profitability. Kenneth A. Macke, Dayton Hudson chairman and ceo, attributes Mervyn's increase largely to promotional activity, markdowns, and low day-to-day prices.

Gold Circle was the weak link in the Federated Department Stores network. The discount chain showed a 3.1% drop in sales in June, and flat sales for the 22-week period. Federated's department store volume, on the other hand, was up 6.2% in June and 5.3% for the five months.

A similar picture emerged at May Dept. Stores, which chalked up a 9.1% gain in June. There, June store-for-store volume in its Venture chain declined 3%, resulting in a five month gain of only 1.7%. Caldor, on the other hand, was a star for the company with a 9% same-store sales increase in June; 7.7% for the five months. May's department stores registered 3.7% gain for June; 3.2% for the year to date.

Bradlees' 18% overall hike, 12% same-store gain, was attributed by chairman Avram J. Goldberg to "a strong Father's Day, excellent business in all apparel departments, and particularly strong sales gains in the domestic and home furnishings divisions."

Men's apparel and seasonal goods were also reported to be especially good at K mart. Fans, air conditioners, and related items along with women's apparel were cited as strong June sellers at Sears by chairman and ceo Edward A. Brennan.

Business at electronic chains was one of extremes. At one end was the California-based The Federated Group Inc. Up against a successful promotional 1986 period, The Federated Group reported June sales down 17%. At the other, the rapidly expanding Best Buy chain, saw June volume climb 142%, but same-store sales increased only 6%.

Modest sales gains registered in June

Major chains	% change	June sales* 1987	June sales* 1986	Stores 1987	Stores 1986	5-mo. sales* 1987	5-mo. sales* 1986	% change
Sears[1,2]	+ 3.7	$ 2,530,178	$ 2,440,070	806	799	$ 10,455,977	$ 10,073,359	+ 3.6
Penney[2]	+ 2.4	1,170,000	1,143,000	1,846	1,895	5,080,000	4,860,000	+ 4.6
Ward	+ 7.5	420,400	390,900	296	292	1,690,000	1,575,000	+ 7.0
May Dept. Stores	+ 9.1	938,700	860,200	2,828	2,210	4,030,000	3,660,000	+ 10.0
Dayton Hudson	+ 13.5	879,600	775,200	487	1,201	3,670,000	3,230,000	+ 13.6
Federated[3]	+ 5.8	762,500	720,500	519	486	3,331,700	3,158,700	+ 5.5
Carter Hawley Hale	+ 7.6	344,500	320,200	320	299	1,436,700	1,337,900	+ 7.4
Mercantile	+ 5.7	177,143	167,576	79	80	792,339	742,000	+ 6.8
Carson Pirie Scott[4]	+ 21.6	68,400	56,259	N/A	N/A	312,100	263,171	+ 18.6
K mart[5,6]	+ 6.5	2,427,210	2,279,220	2,183	2,183	10,041,352	9,266,706	+ 8.4
Wal-Mart	+ 34.0	1,231,000	918,000	1,120	941	5,723,000	4,214,000	+ 36.0
Zayre	+ 20.2	574,600	478,400	1,119	1,024	2,322,000	1,945,400	+ 19.4
Woolworth[2]	+ 6.0	362,000	341,000	N/A	N/A	1,590,000	1,490,000	+ 6.2
Ames	+ 11.8	197,600	176,800	468	468	796,500	692,100	+ 15.1
Bradlees	+ 18.0	192,000	163,000	166	156	745,000	670,000	+ 11.0
Tandy[2]	+ 9.5	257,712	235,262	N/A	N/A	1,144,531	1,044,295	+ 9.6
Circuit City	+ 37.7	88,000	63,900	89	76	401,300	283,800	+ 41.4
Federated Group	− 17.0	33,200	40,000	66	60	150,100	157,800	− 4.9
Best Buy	+ 142.0	28,800	11,900	29	12	121,100	59,354	+ 104.0
Totals & Averages	+ 9.5	$12,683,543	$11,581,187	—	—	$53,836,699	$48,720,585	+ 10.5

*000 omitted. N.C. = no change. N.A. = not available.
[1]Store number for full-line outlets only. [2]Domestic operations only. [3]Excludes supermarket sales. [4]Retail division only. [5]Continuing operations only. [6]Store number for K mart stores only.

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